

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 250102

72

ORIGIN IO-03

INFO OCT-01 ISO-00 PCH-04 /008 R

66650

DRAFTED BY: IO/UNP: MROTHENBERG

APPROVED BY: IO: MR. KAHN

----- 094886

R 262045Z DEC 73

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

AMEMBASSY BANJUL BY POUCH

AMEMBASSY TAIPEI BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY SAIGON

LIMITED OFFICIAL USE STATE 250102

FOLLOWING SENT ACTION SECSTATE INFO GENEVA FROM USUN
DECEMBER 21ST

QUOTE

LIMITED OFFICIAL USE USUN 5723

EO 11652: NA

TAGS: UNGA, EGEN, TGEN, DAC, GATT, IMF, UNCTAD

SUBJECT: SHIFRING ECONOMIC EMPHASIS

1. A NEW EMPHASIS WAS PLACED ON A WHOLISTIC
APPROACH TO ECONOMIC/FINANCIAL, DEVELOPMENT ISSUES
AND PROBLEMS OF INTERNATIONAL ECONOMIC COOPERATION
IN THE 28TH GA. SPECIFICALLY, THE INTERRELATIONSHIPS
BETWEEN MONETARY, TRADE, ASSISTANCE AND SCINECE AND
TECHNOLOGY ISSUES WHICH AFFECT DEVELOPMENT WERE MORE
FINELY AND FREQUENTLY TRACED IN THE SECOND COMMITTEE
DEGATES AND RESOLUTIONS. DOGGED REFERENCES TO LAGGING
ASSISTANCE LEVELS WERE THEREFORE SOMEWHAT DILUTED.

USUN BELIEVES THAT FACTORS CONTRIBUTING TO THIS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 250102

DEVELOPMENT ARE: 1) DISILLUSIONMENT OF MANY COUNTRIES

WITH THE MULTILATERAL ASSISTANCE SYSTEM; 2) INCREASING SOPHISTICATION AND ASSERTIVENESS OF SELECTED LDC GOVERNMENTS IN THEIR APPROACH TO DEVELOPMENT ISSUES; 3) THE COMMODITY PRICE BOOM; 4) ONGOING MONETARY REFORM AND TRADE TALKS AGAINST THE BACKGROUND OF DISTURBANCES ON A GLOBAL BASIS IN THOSE AREAS; AND 5) THE REVIEW AND APPRAISAL OF THE STRATEGY FOR DDII. SOME ELABORATION ON THESE 5 FACTORS, ENUMERATION OF SOME AND EFFECTS OF THE RESULTANT EMPHASIS ON THE WHOLISTIC APPROACH TO DEVELOPMENT ISSUES ON THE 28TH GA FOLLOW:

2. DISILLUSIONMENT AND ITS EFFECT: TWO STATEMENTS MADE BY AFRICAN HEADS OF STATE ARE SYMPTOMATIC OF A GENERAL DISSATISFACTION WITH THE MULTILATERAL ASSISTANCE SYSTEM GOING WELL BEYOND THE TRADITIONAL GRIPEs ABOUT SLOW DELIVERY HIGH OVERHEAD, INDIVIDUAL IPF'S AND THE NEED FOR SPECIAL FUNDS FOR "SPECIAL " CATEGORIES OF COUNTRIES. GENERAL MOBUTU SES KOKO OF ZAIRE IN A SCATHING ATTACK ON THE EXISTING TECHNICAL AND FINANCIAL ASSISTANCE SYSTEM SAID THAT "PARADOXICALLY ENOUGH, ASSISTANCE BENEFITS THE DONOR COUNTRY ABOVE ALL." HE WENT ON TO MAKE A PLEA FOR CHANGES IN THE SYSTEM TO RID IT OF ITS INJUSTICES AND TO CONSTRUCT A SYSTEM OF ASSISTANCE TO "UNDER EQUIPPED" NATIONS BASED ON A "SOLIDARITY AND ASSISTANCE ON THE WORLD LEVEL...WITHOUT CALCULATION AND WITHOUT ULTERIOR MOTIVES." HE EMPHASIZED THE OVERRIDING IMPORTANCE OF DEVELOPMENT ISSUES BY SAYING THAT " THE WORLD IS NO LONGER DIVIDED BY IDEOLOGY , NOR EVEN ALL THAT MUCH BY RACE OR POLITICAL GEOGRAPHY, BUT BY ECONOMICS, AND THIS IS THE REAL ESSENCE OF THE QUESTION OF RELATIONS AMONG PEOPLES OF THE WORLD TODAY." GENERAL GOWAN, SPEAKING FOR THE ORGANIZATION OF AFRICAN STATES, RESTATED THE NON-ALIGNED POSITION THAT OFFICIAL ECONOMIC ASSISTANCE IS NOT A PANACEA FOR DEVELOPMENT PROBLEMS AND THAT EXISTING INTERNATIONAL ECONOMIC MECHANISM MUST BE MODIFIED. HE SAID, "IN THEIR OWN SELF-INTERES, IF NOT FOR THE SAKE OF HUMANITY IN GENERAL, THE RICH NATIONS SHOULD AT LEAST GIVE US AN EVEN CHANCE OF PULLING OURSELVES UP. IT IS NO LONGER OUR INTENTION TO GO CAP IN HAND TO THE DOOR OF THE RICH. WHAT WE CAN AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 250102

DEMAND IS THE OPPORTUNITY FOR OUR OWN PEOPLE TO BE AFFORDED A CHANCE OF ACQUIRING THOSE SKILLS AND ELEMENTS OF TECHNOLOGY WITHOUT WHICH NO DECENT AND PROGRESSIVE ECONOMIC SYSTEM CAN BE STRUCTURED AND MAINTAINED IN THE MODERN WORLD."

3. SURPRISINGLY ENOUGH, AND FOR THE US POINT OF VIEW A DEFINITE ADVANTAGE, DISILLUSIONMENT WITH THE SYSTEM DID NOT UNIFORMLY EXPRESS ITSELF IN INCREASINGLY

STRIDENT DEMANDS THAT THE DC'S MEET THE IDS FINANCIAL TARGETS. WHILE NO ONE WOULD EXPRESS SATISFACTION WITH THE FACT THAT ODA HAS REACHED .35 PERCENT WHILE THE TARGET IS .7 PERCENT OF GNP, THERE IS A TENDENCY TO HARP LESS ON THAT GAP WHILE SPREADING AROUND "DEMANDS" IN OTHER AREAS DIRECTLY AFFECTING DEVELOPMENT, SUCH AS "DEMOCRATIZATION" INTERNATIONAL MONETARY DECISIONS-MAKING, THE SDR-DEVELOPMENT ASSISTANCE LINK, GUARANTEED PARTICIPATION AND BENEFICIAL RESULTS FROM TRADE TALKS, EFFECTIVE AND TIMELY COMMODITY AGREEMENTS ETC.

4. SOPHISTICATION AND ASSERTIVENESS: INCREASING AWARENESS OF LINKAGES BETWEEN FACTORS OF DEVELOPMENT SURELY IS A TRIBUTE TO THE SYSTEMS OF BILATERAL AND MULTILATERAL ASSISTANCE MOUNTED OVER THAT FIRST QUARTER CENTURY, AND A HEALTHY THING. SIMPLISTIC DEMANDS FOR ADDITIONAL FUNDS WHICH MANY RECOGNIZE COME ONLY WITH THEIR ENTOURAGE OF COSTLY ENCLAVES OF EXPERTS, AND UNIMPLEMENTED FEASIBILITY STUDIES ARE RIGHTLY BEING DE-EMPHASIZED. HANDS GRAVITE FROM THE ASSISTANCE CUP TOWARD THE LEVERS OF POWER WHICH PROVIDE "LASTING" BENEFITS, E. G. SOME PART IN DECISIONS OF DEVALUATION OF KEY CURRENCIES, DECISIONS WHICH DIRECTLY AFFECT DEVELOPING COUNTRIES' FOREIGN EXCHANGE RESERVES, DEBT SERVICING SCHEDULES, 3/0945 OPPORTUNITIES. LDC ASSERTIVENESS FLOWS FROM INCREASING SOPHISTICATION BUT ALSO FROM A NUMBER OF OTHER FACTORS INCLUDING THE FX PLATFORM PROVIDED BY COMMODITY PRICE BOOM, "HOMEWORK" ACCOMPLISHED AT 4TH NAC (SEE SEPTIL) AND CERTAIN FISSURES IN DC'S APPROACH TO DEVELOPMENT ISSUES. THE LATTER IS BEST ILLUSTRATED BY THE SYMPATHETIC ATTITUDES TAKEN BY THE NETHERLANDS, THE NORDICS AND TO LESSER DEGREE JAPAN TOWARD LDC OBJECTIVES IN MULTILATERAL ECONOMIC DIPLOMACY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 250102

5. COMODITY PRICES: DRAMATIC PRICE INCREASES FOR ALMOST ALL COMMODITIES AND CONSEQUENT INCREASES IN FOREIGN EXCHANGE RESERVES HAVE RELIEVED MANY GOVERNMENTS OF THE NEED TO PRESS PERSISTENTLY AT THIS TIME FOR ADDITIONAL MULTILATERAL ASSISTANCE ON EXISTING TERMS. IT HAS ALSO GIVEN THEM "BREATHING TIME" TO LOOK AT THE OTHER ISSUES, AND IT HAS SHARPENED THEIR SEARCH FOR MEANS TO SAFEGUARD, PROLONG AND POSSIBLY PERPETUATE THE FX "WINDFALL." THIS LATTER POINT, MOST FORCEFULLY STATED UP BY AUSTRALIAN REP IN COMMITTEE DEBATE, WAS IMPLICIT IN MANY STATEMENTS BY LDC REPS.

6. PREOCCUPATION WITH MONETARY AND TRADE ISSUES, WHETTED BY ONGOING MULTILATERAL NEGOTIATIONS AND

DAILY NEWS REPORT OF "CRISIS", PRODUCED TWO SIGNIFICANT RESOLUTIONS ELABORATED OVER A THREE WEEK PERIOD OF INTENSE NEGOTIATIONS. FELICITIOUSLY, AND IN LARGE MEASURE DUE US EFFORT, THE RESOLUTIONS NEGOTIATED ACCURATELY REFLECTED STATE OF PLAY IN THE RESPONSIBLE AGENCIES,8. E. IMG ANF GATT, AND THEREFORE REPRESENTED GA'S HEALTHY CONCERN RATHER THAN MEDDLING INTERFERENCE.

7. THE TWO-YEAR REVIEW AND APPRAISAL EXERCISES, WHICH CULMINATED IN GAN COVERING "WATER FRONT" OF INTERNATIONAL COOPERATION AND DEVELOPMENT ISSUES, ENCOURAGED 135 MEMBER COMMITTEE TO TAKE "WHOLISTIC" APPROACH. ALTHOUGH INTENSE 8 WEEK NEGOTIATIONS OF RA WORKING PARTY CONCENTRATED ON SELECTED PARAS OF FINAL PAPER, THOSE PARAS CONTAINED KEY ISSUES OF DIVISION OF DEVELOPMENT LABOR BETWEEN LDC'S AND DC'S , MONETARY TRADE AND ASSISTANCE LEVELS, AND THUS WAS NOT A PAROCHIAL ONE-THEME DISCUSSION OF " TARGETS". THE ULTIMATE CONSENSUS DECISION, UNFORSEEN BY PARTICIPANTS IN EARLIER PHASES OF EXERCISE, REPRESENTED IN MINIATURE THE TONE OF THE SECOND COMMITTEE SESSION, IN THAT THE URGE TO CONFRONTATION AND VOTING MACHINE TACTICS WERE LARGELY SHUNNED. CONFRONTATION ON TARGETS WOULD HAVE BEEN INEVITABLE. INSTEAD, ALL ACCEPTED "HALF A LOAF" ON THE MUCH WIDER RANGE OF ISSUES REFLECTED IN THE DOCUMENT.

8. THE NEW EMPHASIS ON "WHOLISTIC" APPROACH TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 250102

DEVELOPMENT ISSUES IN THIS GA YIELDED CONCRETE AND, FROM US POINT OF VIEW, HELPFUL RESULTS. IN ADDITION TO THE RESOLUTIONS ON MONETARY, TRADE AND R/A MENTIONED ABOVE, THE GA PRODUCED TWO FAR-REACHING RESOLUTIONS REFLECTING A CONCERN WITH THE "BROAD" ASPECTS OF DEVELOPMENT: THE US-INSPIRED WFC RESOLUTION AND THE NAC-INSPIRED SPECIAL GA SESSION RESOLUTION. IN BOTH INSTANCES, THE FOCUS OF THE PRELIMINARY DRAFT RESOLUTIONS WAS EXPANDED IN INTENSE CONSULTATION WITH RESPECTIVELY THE NON-ALIGNED AND THE US TO ENCOMPASS GENERAL DEVELOPMENT ISSUES AND THUS CONSENSUS DECISIONS. (SEE SEP WRAP-UP. USUN CABLES ON THESE RESES).

9. THE IMPLICATIONS OF THIS SHIFT IN EMPHASIS WILL EIGHT HEAVILY IN DETERMINING THE PLANNING, SCOPE, AND CHARACTER OF THE SPECIAL SESSION OF THE GA SCHEDULED FOR 1975. SCHAUFELER UNQUOTE KISSINGER

NOTE BY OC/T: POUCHED BANJUL, TAIPEI.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, SCIENTIFIC COOPERATION, COMMITTEE MEETINGS, TECHNOLOGICAL EXCHANGES, INTERGOVERNMENTAL COOPERATION, UNGA RESOLUTIONS, MONETARY AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE250102
Document Source: CORE
Document Unique ID: 00
Drafter: IO/UNP: MROTHENBERG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973127/aaaaaemk.tel
Line Count: 219
Locator: TEXT ON-LINE
Office: ORIGIN IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01-Feb-2002 by martinjw>; APPROVED <07 MAR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHIFRING ECONOMIC EMPHASIS
TAGS: EGEN, TGEN, UNGA, DAC, GATT, IMF, UNCTAD
To: ALL POSTS MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005